



DRAFT MEETING SUMMARY

Executive Order B-37-16

Urban Advisory Group

October 20, 2016 | West Sacramento, CA

Department of Water Resources, State Water Resources Control Board,
Department of Food and Agriculture, California Public Utilities
Commission, and California Energy Commission

Prepared by the Center for Collaborative Policy

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Background

On May 9, 2016, Governor Edmund G. Brown Jr. issued Executive Order B-37-16 (EO). This EO builds on the conservation accomplished during the recent drought and implementation of the Governor's California Water Action Plan (CWAP) and temporary statewide emergency water restrictions. It requires longer-term water conservation measures, including permanent monthly water use reporting, new permanent water use standards in California communities, and bans on clearly wasteful practices (e.g., hosing off sidewalks, driveways, and other hardscapes). The full text of the EO can be found online at <http://www.water.ca.gov/wateruseefficiency/conservation/>.

The EO designates several responsibilities to the Department of Water Resources (DWR), California State Water Resources Control Board (SWRCB), Department of Food and Agriculture (CDFA), California Public Utilities Commission (CPUC), and Energy Commission (CEC) (collectively, the EO State agencies). The EO State agencies are working in project teams (collectively, the EO Project Teams) to address the various components outlined in the EO Directives. The EO also acknowledges the importance of stakeholder involvement, and EO State agencies created urban and agricultural stakeholder advisory groups to facilitate stakeholder



engagement.

This meeting was the third meeting of the Urban Advisory Group (UAG). The meeting included updates by EO agency Project Teams on content, feedback, and timelines for development of the EO Report.

Meeting Objectives

1. Review Updates to Draft Framework from Project Teams:
 - a. Eliminate Water Waste
 - b. Strengthen Local Drought Resilience
 - c. Use Water More Wisely
 - d. Reporting, Compliance, and Enforcement
2. Discuss considerations for the January 10, 2017 Report

A. Opening

Stephanie Lucero, Center for Collaborative Policy (CCP) facilitator, opened the meeting and reviewed the agenda. Diana Brooks, DWR, welcomed participants and expressed her appreciation for their continued participation. She noted that the agencies are receiving many comments from UAG participants and posting them on the project website:

<http://www.water.ca.gov/wateruseefficiency/conservation/>.

B. EO Directive – Strengthen Local Drought Resilience

(Refer to Appendix A, presentation slides 4-19.)

Kent Frame, DWR, reviewed Project Team efforts on the EO Directive, “Strengthen Local Drought Resilience.”

Mr. Frame first provided a brief report out on the October 13 workshop to discuss and receive public feedback on the proposed framework for counties’ drought planning for small and rural water systems. Mr. Frame recapped key input offered by participants about ways that DWR can help small and rural water systems establish drought plans.

Next, Mr. Frame discussed the current draft framework for Water Shortage Contingency Plans (WSCPs) and drought resilience planning. He briefly reviewed the State’s goals and approach to developing the framework. Mr. Kent reviewed stakeholder feedback to date, which he summarized the State needs to:

- Define the “problem” being fixed by WSCP,
- Provide for local flexibility,
- Differentiate between mandatory and voluntary reduction actions,
- Recognize both supply augmentation and demand reduction in addressing shortages,
- Utilize existing reporting as much as possible,



- Clearly differentiate between long-term planning and short-term drought management/response, and
- Facilitate regional coordination, etc.)

Mr. Kent then reviewed 12 elements that the team believes a WSCP should include (Slides 10-12). He reviewed the roles of the EO State agencies in monitoring, reviewing WSCPs, providing technical and financial assistance, and developing reporting, compliance, and enforcement protocols. The reporting, compliance, and enforcement protocols in detail, and he offered variant options the State has studied.

The current recommendation is that:

- Water suppliers conduct an annual water budget forecast for May-April and report it to DWR each April;
- Water suppliers shall conduct a five-year dry period assessment each year and report the assessment in the five-year Urban Water Management Plan (UWMP) and in years when the supplier invokes or increases a stage/level of the WSCP.

Finally, Mr. Kent reviewed a table showing how elements of the WSCPs track with the California Water Code or other regulations.

Clarifications

DWR staff (unless stated otherwise) clarified the following points:

- The Water Code and regulations included in the table in the packet are for reference only. The EO agencies are not flagging these as laws that need to change.
- The purpose of the UWMP versus WSCP:
 - The UWMP is a primary foundational plan to demonstrate that a water supplier is considering its conditions, assets, and limitations, then planning for investment over the next five years to avoid shortages. The five-year drought assessment is part of the UWMP because it triggers the supplier to think about additional investments needed to prevent shortage.
 - The WSCP is for when the UWMP fails. It should only trigger when there is a problem. UWMPs might have voluntary actions to prevent shortage.

Annual five-year drought risk assessment

- The State does not want to have agencies go through the motions of conducting an annual five-year drought assessment if it will not help them make planning decisions. A challenge with an assessment submitted every five years is it may be only truly valid for the first year. The annual five-year assessment illustrates to the State that the local supplier is considering contingencies in the current year and making investments to help avoid extended drought conditions. It also helps the State avoid issuing a statewide mandate since suppliers are planning for shortages.



- Although water suppliers do the assessment each year, they do not report it to the State every year. Suppliers only report if they triggered or increased a level in their plan, based on current conditions.
- DWR has been discussing what assumptions will go into the “plausible worst-case conditions” as described in Item 1c on page 1 of the WSCP Recommendations draft discussion document (Click [here](#) to access the document). Two scenarios we have discussed are catastrophic failure of a water supply or conveyance system, or severe drought beyond what we have experienced in near-history.

State assistance

- The State may assist suppliers with UWMP or WSCP requirements by providing technical assistance, grants, loans, and data. The goal is to provide assistance up-front to prevent enforcement action later. We do not have many specifics yet but are developing agency timelines and responsibilities.

Shortage thresholds and staged mandatory demand reduction actions (WSCP elements #5 & 6)

- “Shortage thresholds” are intended to allow local flexibility in how agencies communicate about shortages to their customers. Agencies may use their own terminology.
- The “Staged Mandatory Demand Reduction Actions” are standardized for consistency among water suppliers across the state. The purpose is to provide a standardized way for the State to evaluate the effectiveness and adequacy of local responses to supply shortages. It allows for us to more easily and effectively monitor local conditions and hopefully forestall State intervention.
- Following discussion, DWR staff stated that stages or levels should be based on level of shortage, not the type of response. The State wants assurance that there is consistency across suppliers with regard to when they will flag that they have a problem. Then, it will be up to each supplier to decide what to do. The proposal is intended to develop a consistent level of shortage that the State can use, not to dictate what each supplier does at each level.
- If a supplier is always in Level 1, they should use the UWMP to look at how they can take care of that baseline problem.
- EO State agencies will clarify these shortage threshold and demand reduction action elements, with recognition that it makes sense for stages to be based on shortage rather than a required response.

Reporting

- *[Facilitator]*: The intent in the EO is that if the supplier is already doing a WSCP, it does not have to issue a separate report to the county.
- AB 1755, just signed by the Governor, is providing new guidelines and sideboards for how state government will manage water and environmental data.
- Reporting is not meant to be just onerous. It is meant to provide transparency and inform the State and the public what good things suppliers are doing. In this last drought, people assumed in the absence of information that suppliers were not taking



necessary action. The reporting will help ensure that the State does not need to make across-the-board mandates.

Financial plan

- The requirements for a financial plan may not be significantly different from current requirements. There are several elements within our recommendations that are already required by statute. We might consider whether water suppliers have implementation authorities in place to address revenue shortages in times of water shortage. Also, planning up-front in the WSCP will provide transparency to customers, even before entering a shortage, that there may be a need to increase rates in the event of a shortage.
- A financial reserve management approach is a feasible plan. The point is to recognize the linkage between sale of water and the agency's fiscal soundness. The State is asking that suppliers specify what actions they will take to address the fiscal impact of a shortage situation.
- If a supplier's rate structure already addresses drought, the rate structure can satisfy the financial plan requirement.

Discussion¹

DWR staff were available to respond to participant questions and comments. Kamyar Guivetchi, DWR, thanked participants for submitting comment letters, including a consolidated letter from 63 water agencies that many participants referenced (click [here](#) to access the letter).

Annual Five-Year Drought Risk Assessment

The five-year drought risk assessment was the main topic about which many participants expressed concerns. Questions and comments included:

- Many UAG members and other attendees referenced the comment letter signed by 63 water agencies expressing concern that the assessment will not be useful for, and creates additional challenges for, water agencies.

Potential drawbacks

- Concern was expressed that an annual five-year assessment will mean agencies flip between efficiency and conservation on an annual basis that will be ineffective.
- Water agencies that buy their water from wholesalers (including the Metropolitan Water District of Southern California [MWD] or the State Water Project) will not have enough information to do a five-year assessment. For example, State Water Project projections are often for 0-5% of allocation for the current year.
- "Worst-case conditions" in the five-year assessment could paint an unrealistically dire picture and force agencies to over-invest in unnecessary "solutions."
- For an agency that is always in an elevated stage (e.g., due to groundwater declines for multiple years in a row), it will need to re-do this plan every year.

¹ Unless otherwise stated, questions and comments were offered by UAG members. Unless otherwise stated, responses were offered by EO State agencies.



- [Public]: The five-year assessment creates some legal issues, particularly relative to SB 610/221 water supply certification process based on UWMP and other authorities. How does the five-year assessment, which projects a five-year drought, affect the authority and certainty in that certification, which is used to authorize new development?

Public perception

- Several commenters expressed concern about communicating with customers and the confusion, concern, and potential hostility the five-year assessment could create. (See clarifications)
- Use messaging with the public to explain the purpose of the annual five-year assessment and build understanding for the need for drought planning.
 - Another participant felt this was unrealistic and warned that it can be difficult to adjust this requirement once put in place.

Suggestion to incorporate into the UWMP

- Many participants said the UWMP seems like the more appropriate place for the five-year assessment. They cited helpful guidance from DWR on modeling, risk assessment, and advice to local agencies for incorporating risk assessment into UWMPs.
- [Public]: Water suppliers should do a five-year analysis as part of the UWMP, as a worst-case scenario. The annual five-year assessment does not provide water agencies any benefit and is counterproductive. To see if water agencies are doing adequate planning, the State should look at the UWMP and WSCP, which are basically derived from the more fundamental water supply master plan.

Other suggested alternatives

- Pilot the annual five-year assessment approach, learn from it, and adjust as necessary.
- Conduct the five-year assessment only if in a drought.
- Will water agencies have discretion over how they conduct the five-year assessment? It could be a useful tool if done internally by staff and used to make recommendations as appropriate. It is less onerous if the suppliers are not required to release the assessment results into the public domain, which requires more effort to explain.
- Let the agencies make moderate and progressive changes to the Urban Water Management Planning Act, not extreme changes.

Alternative Approach: Annual Assessment for the Current Year + One Year

DWR staff suggested an alternative approach, and more discussion flowed from this idea. Specifically the alternative was: perhaps the agencies could have a five-year stress test as part of UWMP, then do an annual assessment of current year plus one year (similar to how the MWD has done it), so that agencies can plan for what they do differently if the following year is a drought.

- Many participants, but not all, expressed agreement with this concept. Those opposed to the alternative approach shared the concern that the “annual plus one year” idea means that water agencies must always plan for the next year as a drought, which is unreasonable.



- An annual assessment requirement is part of prudent planning. When you provide historical and projected supply and demand in the UWMP, you are already reporting on the assessments you have done. Second, allow flexibility around the drought scenario, where if an agency uses a more severe three-year drought scenario (rather than a less severe five-year scenario), that is acceptable.
 - Other participants echoed this sentiment: allow agencies to submit the plans they already do to forecast and plan for drought, rather than create a standardized assessment that may not make sense for some suppliers.
- MWD looks at a two-year cycle because its allocation is based on a fiscal year, so it must look at the current calendar plus one year to define how deep to go in that allocation plan. That may vary by agency depending on their cycle.
- An annual assessment is prudent planning for the industry. Putting the five-year assessment in the UWMP also seems like a good approach. But including all five annual assessments in the UWMP seems like too much content without justifiable utility to the State or the water suppliers.
- Every water agency can articulate their worst-case scenario and planning approach for that. At one of the workgroup meetings we discussed that, if we are within the normal planning scenario (e.g., worst drought in record planning) as defined in UWMP, hopefully that is adequate for the State to determine that the water supplier is okay. Conditions that occur outside of that scenario may warrant more requirements.
- Suggestion: when water suppliers conduct their annual assessment, they can submit that to the State with a transmittal letter explaining where they are in their WSCP framework based on that assessment. If suppliers find themselves in a shortage situation that is out of the historical record, the cover letter can explain their response actions, including revising the plan to address current conditions.
- [Public]: Is the State developing these statewide requirements to address just a few agencies that do not have these procedures in place? Water suppliers already do a lot of planning to meet existing requirements. How do the proposed requirements benefit overall water management across the state?
- [Public]: The requirements for long-term water use efficiency versus the UWMP set up a tension between reducing water use and accommodating growth. It seems like these may operate at cross purposes, and water suppliers be penalized for efficiency.

Shortage Thresholds and Staged Mandatory Demand Reduction Actions (WSCP Elements #5 & 6)

- Many participants recommended that the State allow local variability in how agencies define/set stages.
- If suppliers want to communicate voluntary reduction to customers, does that trigger their WSCP? What is the starting point?
- Perhaps the trigger from moving from Stage 1 to Stage 2 should be when suppliers are actually telling customers to cut back water use.
- [Public]: There is a benefit to not tie the stages to those in the WSCPs. Sometimes agencies ask for higher reductions from customers than what is in the WSCP.



Reporting

- The State should pick a standard month for report submission but let the utility decide how to define the water year. Most agencies use Oct 1-Sept 30 water year for planning and modeling.
- [Public]: SB 610 and SB 221 may need strengthening so people do not get confused about how projections affect requirements for SB 610 and SB 221.
- [Public]: Are the reporting requirements under SB 610 and SB 221 insufficient enough that the State feels it needs an annual five-year assessment?

Financial Plan

- Several UAG Members expressed support for the financial plans and suggested that it may not yet be strong enough:
 - There was a lot of consternation last year regarding the financial impacts of the drought and water conservation. It has been difficult to obtain data on how much of a problem this actually was, but there was a lot of pressure to roll back reductions because of financial impacts. There is a need to do something differently moving forward; otherwise we may sacrifice necessary management actions to address water shortages.
 - Revenue shortfalls was a source of a lot of pushback and seemed like a clear sign that the existing requirements were not strong enough. There is a lot of uncertainty going forward with climate change and water supply. We need to get this right to ensure financial stability under shortage situations.
 - The financial plan could be really helpful for water suppliers and provide opportunities for suppliers to be creative with sources of revenue. It does not need to be onerous.
 - The State needs to clearly describe its ability to provide financial resources and support.
- Water suppliers are reacting to an unprecedented mandatory imposition of standards that derive from the perception that water agencies were not properly planning for drought. Suppliers do have the data demonstrating unprecedented financial impacts. Suppliers are trying to show that they can be trusted to do sound planning, and the WSCP will help them do that. Part of the motivation for the EO is to make it so the State does not have to intervene, but rather allow water suppliers to set locally-appropriate cutback levels .
- Moody's revised their ratings criteria. That might be useful as a discussion point.

Other Questions and Comments

- Many participants thanked the EO Agencies for their work on this and expressed overall support. They said they liked that the recommendations take into account local conditions.
- Potential for WSCP to create disincentives for voluntary actions or reporting:
 - If the State wants water agencies to identify voluntary actions, but it comes with enforcement, it does not feel voluntary. It potentially creates a disincentive for



agencies to invoke voluntary actions because that is viewed as triggering the WSCP. It could dissuade water agencies from taking proactive voluntary steps.

- If the State views the WSCP as something that is triggered only when there is a problem, it could discourage suppliers from triggering it because they do not want to report to the State.
- The State should form a technical workgroup to define the criteria for the Water Budget Forecast.
- A suggestion was offered to utilize the Integrated Regional Water Management Planning (IRWM) as a discussion forum in the countywide planning effort to help counties with limited resources.
- We want to use the assessments to create better maps that show available supply, rather than the precipitation amounts that are used now.

C. EO Directive – Eliminate Water Waste

(Refer to Appendix A, presentation slides 20-24.)

Vicki Lake, DWR, reviewed the draft outline and contents of the section in the EO Report, Chapter 4: Eliminate Water Waste. She noted that the topics in Sections 4.1 & 4.2 (Emergency Water Conservation Regulation for 2016 & Permanent Prohibition in Wasteful Practices) will undergo rulemaking processes beginning at the end of 2016. For Section 4.3 (Reducing Water Supplier Leaks and Water Losses), SB 555 regulations are being developed now (see below); there will also be efforts to provide state technical and financial assistance and to develop reporting requirements. The CEC is working on Section 4.4 (Certification of Innovative Technologies for Water Conservation and Energy Efficiency).

EO State agency staff provided additional remarks and information on these efforts:

- Todd Thompson, DWR, provide a brief update on SB 555 regulations development. The process is slightly behind schedule. The State has revised the regulations for clarity and to describe the relationship to the statute.
- Max Gomberg, SWRCB, discussed efforts on Financial Assistance for Water Loss Control. The State is developing a targeted approach focusing on small suppliers with acute shortages during the last drought. Funds are available through I-Bank.
- Sean Steffensen, CEC, provided an overview of the public process on Certifying Water Conservation and Loss Detection and Control Strategies.

Clarifications

EO agency staff clarified the following points:

- There is not a new list of prohibited activities yet. The EO State agencies are currently collecting suggestions for how to expand the list. The EO directs the EO State agencies to make the current list permanent. EO Agencies have not started the formal rulemaking process yet.



- The State is not setting up a new portal for the new reporting requirements. It will expand an existing portal for UWMP data.

Section 4.1 and 4.2

- The State will work on communicating that list and tools available for local and State agencies to enforce the list of permanently prohibited practices.
- The State will help make sure public is aware of what the prohibitions are and how they will be enforced.
- The State does not intend to provide funding for enforcement. Enforcement will be up to the local agencies.

Section 4.3

- Stakeholders can provide input on the SB 555 annual reports' descriptive narrative on the DWR Water Use and Efficiency (WUE) website. Right now the content is fairly simple. EO Agencies encouraged participants to speak with Todd Thompson, DWR, about the website and information/definitions they want included.
- The SB 555 reporting process will require certified individuals to validate the reports. It is envisioned that utility staff could receive that certification. In the short term (first few years), contractors will likely provide trainings. For the long term, the California-Nevada section of the American Water Works Association (AWWA) has committed to establishing a certification program.

Section 4.4 and Funding

- The agencies will also be looking at what is required for implementation and making requests to the legislature and Governor to provide financial and technical assistance. Local suppliers should not count on additional funding from the legislature. It may not happen. Getting additional resources from the legislature will require political effort.

Discussion²

Section 4.1 and 4.2

- A shared approach and solutions (between the State and local agencies) is prudent as we look at long-term efficiency versus reductions to address short term shortages.

Section 4.4 and Funding

- The CEC workshop on technologies was a helpful starting point. From a funding perspective, will there be other technologies looked at? Will there be a timeline in the report to include that?
 - CEC is focusing on content from the workshops. Additional considerations are not feasible under the current timeline for the draft report.
- [Public]: Despite the push for greater conservation and stricter standards, funds for water energy grant programs are not increasing. Through this process the State has the opportunity to make the case to the legislature for more funding.

² Unless otherwise stated, questions and comments were offered by UAG members. Unless otherwise stated, responses were provide by EO State agencies.



- [Public]: The focus on the WET program has been on end user projects. The State should also look at opportunities to fund and promote savings opportunities throughout the system.
 - *Response:* We invite your suggestions about possible opportunities.
- It helps us to partner with the State to address limitations that derive from Proposition 218. Suppliers need greater leeway to collect and use funds, with accountability.
- We also need to think creatively and look for different sources of funding such as foundations and the tech industry.

Other Questions and Comments

- Participants thanked EO Agencies for ensuring the EO eliminate water waste efforts aligned with the SB 555 framework as it is moving forward and consolidated efforts where possible.

D. EO Directive – Use Water More Wisely

(Refer to Appendix A, presentation slides 25-32.)

Peter Brostrom, DWR, presented on the draft Use Water More Wisely framework. He noted that little has changed in the draft framework since the last UAG meeting.

For EO #2, the framework proposes a provisional indoor standard of 55 gallons per capita per day (GPCD), to be later revised downward. The provisional outdoor standards vary depending on when they were installed and whether they are special landscapes. The agencies are working on a pilot project and gathering additional data to inform the outdoor standards. Because of the diversity and range of water use within the Commercial, Industrial, and Institutional (CII) sectors, the framework proposes performance measures rather than volumetric standards; Mr. Brostrom reviewed the proposed performance measures (see slide 30). For the Water Loss standards, the framework uses the SB 555 standards. Budgets from each sector (Indoor, Outdoor, Water Loss, and CII) are added together to give the supplier its specific target. Agencies will be required to submit progress reports beginning in 2019 to describe actions they will take to meet 2025 requirements. There may be enforcement if suppliers are not on track to meet annual milestones.

Clarifications

EO agency staff clarified the following points:

Revision of 2018 targets

- The 55 GPCD indoor standard may be revised downward between now and 2018, based on the State's evaluation. Whatever the revision shows, that will be the 2025 standard.
- Any downward revisions by the State agencies of 2018 targets will go through a public process.



Downward revisions of reduction targets

- The State will be looking at a lot of factors and lessons learned through 2016 to develop a proposal to achieve mandatory reduction to build off of the 25% reduction.

Commercial, Industrial, and Institutional (CII)

- The State agencies have not decided who will be responsible for separating CII indoor from outdoor use.
- CII “performance measures” refer to actions that we are asking suppliers to take and document that they have implemented. For example, they indicate the number of dedicated irrigation accounts and show that they have budgets associated with all of them. Some of the details on documentation and reporting are yet to be worked out.
- Dedicated irrigation accounts are included under CII rather than the outdoor landscape budget, because many suppliers have dedicated irrigation users but do not know the landscape area and therefore cannot include it as part of the water budget. The suppliers will need to go out and measure the actual landscape area.
- The EO State agencies have not determined specific categorization approaches (e.g., whether utilizing the North American Industry Classification System (NAICS) for CII is appropriate). The State does intend to convene a task force to discuss issues such as identify classifications and establish performance measures and benchmarks.

Landscape area measurement

- The frequency of landscape area measurement has not been determined but it may not need to happen every year.
- The State will regularly re-measure landscape area. (A participant commented that this can save water agencies a lot of money.)
- DWR is starting a small pilot study and will expand the study to make sure it provides accurate, representative data across the state.
 - The study is proceeding with the aerial imaging methodology, using an iterative process and will adjust as necessary.

Compliance and enforcement

- Beginning in 2021 suppliers will submit annual reports showing progress toward the 2025 targets. They will start submitting progress reports in 2018.
- The water loss standard will not be ready until 2020. We want to implement the full package, all four pieces, at the same time.
- On an annual basis, suppliers will compare their water use for that year with the interim milestones to show the progress they are making toward the 2025 compliance date. If the water use is over the target, suppliers will have to show how they will reduce. The target will be dynamic (e.g. depending on growth) but the standards will be consistent.
- Enforcement will likely start in 2022, based on 2021 reports.
- The timeline for enforcement could include a variety of enforcement levels. If a supplier is not taking actions necessary to meet the CII measures, enforcement could come in. From 2021-2025, if a supplier is a long way off of targets and not making adequate



progress toward 2025 targets, enforcement could come in. Technical assistance could be provided before enforcement.

- The draft framework is not intended to be very specific. It will lay out possible actions in a general way.
- The current recommendation is that the 2025 standards be established in 2018 after the State has a lot more data on landscape area measurements and other data.
- The EO State agencies have not decided whether enforcement will be based on GPCD or acre feet.

Outdoor targets

- In the current draft, the outdoor targets are based on landscape size (not meter size).
- 0.8 reference evapotranspiration (ET) refers to 80% of the reference evapotranspiration.
- The State is discussing how to determine the dates for when specific parcels were developed in order to apply the standard. Some counties record this, and some do not.

Variances

- The EO State agencies have not determined how it will address specific variances yet (e.g., swamp coolers, livestock, and medical needs).

Other

- Technical workgroups: the agencies intend to convene technical workgroups on 1) remote sensing and 2) CII.
- Recycled water: The recycled water use will be included in the overall measurement. A supplier will get a larger budget for using recycled water.
- Timelines for CII benchmark: The agencies have not yet set a schedule for developing CII benchmarks. They first need to do the classification.

Discussion³

- A number of UAG members referred to the comment letter submitted by 63 water agencies for more specific information regarding their comments.
- In the framework, the EO agencies should state that they will continue to evaluate and modify the framework. It should be clear there are opportunities to modify.
- For water agencies with concerns about how this relates to water rights, it strengthens the framework to include references to Water Code sections 10 and 11, similar to what is in SB X7-7. This may address water rights concerns about what happens to the water conserved.
- Several participants said the suppliers are struggling with uncertainty in not knowing how things will be calculated and how they will know if they are meeting the standards. For example, sometimes a parcel's construction date does not match with the Model Water Efficient Landscape Ordinance (MWELO) requirements based on the timeline when the properties were developed, particularly during the recession. Suppliers may

³ Unless otherwise stated, questions and comments were offered by UAG members. Unless otherwise stated, responses were provided by EO State agencies.



not have needed authorities to implement some of these approaches. Some ideas and details may not be feasible. What is the alternative if things are not feasible?

- The EO Agencies should pilot the targets for some willing agencies and see if water agencies can meet it.
- Consider additional needed authorities for water agencies to implement some of these approaches.
 - [Public]: One idea is to put requirements in place for when properties change hands (e.g., require new meter installation for landscapes at that point).
 - Others noted that water agencies do not always know when properties change hands because the customer may remain the same. The responsibility should lie with the city or county to enforce that.
- Water agencies should look at opportunities to team with new partners and others to prepare for a sustainable water future. Non-governmental organizations (NGOs) have a lot to offer.
- This framework should be done collaboratively; stakeholders should not go separately to the legislature for new legislation that may have unintended consequences.
- Implementation will require a lot of education (e.g., educating the industry on the importance of providing measures against which to benchmark).
- [Public]: There are limits to what water agencies can do to increase efficiency. Water users do the conservation. Education is important.
- [Public]: There may be unintended consequences to the economy from the measures. Agencies have invested a lot in alternative supplies.
- [Public]: Unless rainfall this year is below 2012/2013 levels, suppliers should not have to do a stress test this year.
 - Response: The Draft Report probably will not address the emergency regulations. That is a separate process.

Downward Revisions of Reduction Targets

- The downward revision of the targets in 2018 should be done through a collaborative process. The current numbers are based on standards that make sense based on current use.
 - Response: Yes, it will be done through a public process.
- Consider a rolling timeline for revising the targets, so the agency is always doing a 10-year outlook toward new provisional targets.
 - Several UAG members agreed with this idea. One public participant commented that once a supplier reaches efficiency, it is not realistic to go beyond that. Others expressed that efficiency will continue to improve with technology.
 - Response: Our thought was to do a 2030 standard revision, but we can consider doing a 10-year outlook.
- [Public]: There should be legislative authority for any changes beyond 2025.

CII

- CII performance measures are a good approach.



- In the 1990s DWR did CII surveys and created one-page descriptions of water use and potential savings. You could do a small number of surveys and apply those case studies to all the companies in the state.
- There was a CII Task Force that went into detail on CII practices and benchmarks. The State should look at lessons learned from that task force.
- Suppliers do not have authority to offer audits. They can only incentivize and offer programs. Suppliers should have greater flexibility to use incentive approaches.
- [Public]: The way to approach CII is through establishing best practices. It is hard for water agencies to enforce mandates for CII.
- [Public]: The CII workgroup should look at a suite of options (e.g., eight options and supplier needs to do four of them) to allow suppliers to choose the most appropriate actions for their area.

Indoor and Outdoor Standards

Landscape area measurement

- The pilot projects should be representative across the state. The tree canopy is a different feature of the Sierra Nevada, for example, that needs to be considered. Suppliers may need alternative ways to comply in areas where aerial technology cannot measure landscape area. Others echoed this comment. (See clarifications for response.)
- Be straightforward versus those with complex challenges. The State should recognize that the latter category will require some more time and investigation to make it work.
- Suppliers need more information about the landscape area measurement data to know the starting point.
- The outdoor standard should be based on irrigable acres, not irrigated. See comment letter from the agencies.

Variances

- For working landscapes, make it workable for the water agencies that are seeking variances. For example, allow water agencies to use representative sampling to show percentage of that land use in their service area.
- [Public]: It will take time and patience to work through variances but it is necessary.

Outdoor standard levels:

- Keeping recycled water in the 1.0 special landscape category is a great incentive.
- For the outdoor standard, the water supplier coalition letter has an attachment with detailed suggestions (e.g., add 1.0 for pre-1992 landscapes. Certain ordinances were not in effect before then). The current State proposal does not sufficiently address the complexity.
- The 0.7 and 0.8 in the outdoor standards are concerning. There were a lot of exceptions in MWELO, and a lot of landscapes that will not meet those targets.
- The argument that the standard should be 1.0 for older landscapes is inconsistent with the standards we already have in place in SB X7-7 Option 2 (80% of ET for outdoor use).



- From a landscaping perspective, the 0.8 standard is adequate for traditional landscapes in California. Landscape irrigation people expressed a lot of agreement on that approach. It is not easy, but it is doable, and we should not over-simplify it. A recent Water Research Foundation report showed that most landscapes are deficit-irrigated and few are over-irrigated.
- A complete new approach will need to revise MWELO.
- [Public]: Most landscape water in single family residential is not under model ordinances.

Data availability on date of landscape installation

- It can be difficult for water agencies to find data on the date of properties. Water agencies may need to use creative sources such as Zillow or other real estate websites to find data about when a parcel was developed.

Metering

- Water suppliers do not have authority to retroactively require industrial customers to install separate meters for landscapes.
- [Public]: It can be very difficult for large sites to meter outdoor water use, because they have many backflow devices.

Tree Mortality

- Under-watering during the drought was a key reason for tree death and needs to be considered when setting outdoor standards.
- Based on the tree mortality epidemic, the Governor said that residents should be watering native trees to protect against infestation.
- [Public]: We must support tree growth and survivorship to gain from their benefits (e.g., tree evapotranspiration cools the air and reduces the heat island effect).

Compliance and Enforcement

- Add clarity to what enforcement means and provide assurance about what will happen and when.
- Clearly explain the reporting requirements (e.g., monthly or annual, outdoor use or outdoor use as a percentage of ET, etc).
- If enforcement is based on GCPD, the State may be able to interpolate for a few years and do fewer flyovers.
- There is a lot of concern about compliance, but the annual reports starting in 2019 will reveal what enforcement is needed. Many agencies were initially out-of-compliance with the 25% reduction mandate, but the SWRCB worked with agencies to address and it invested fines back into that community.
- [Public]: Enforcement should not be heavy-handed (e.g., disqualification from grant eligibility versus fines of \$25,000/day).



E. Draft EO Report and Next Steps

(Refer to Appendix A, presentation slides 33-40.)

Erik Ekdahl provided an overview of what the EO Report, “Making Conservation a Way of Life, Implementing Executive Order B-37-16,” will look like. An internal draft will be completed in the next week or so. The EO Report will be a higher-level framework that may not incorporate many of the details from stakeholder discussions. The EO State agencies are reviewing and collecting those detailed comments to inform later discussions. There will be additional opportunities to comment on the full Draft Report. The major content of the EO Report is in Chapter 4 and 5⁴. Chapter 4 will discuss directives implemented within existing authorities. Chapter 5 will describe recommendations that will require additional legislative authority for implementation.

Mr. Ekdahl reviewed the near-term expected timeline for public comment in the EO Report:

- **Mid- November** (modified post-meeting to Nov. 16): Proposed date when Public Draft Report is released. The public meeting and due date for public comments may vary depending on when the public draft will be released. Confirmed public release is subject to change. Public comments will be due 10 days after release date.
- **November 18:** Webinar/live public meeting. (Format will be similar to Listening Sessions; UAG and AAG will be able to comment). Initial framework included a morning session on the AAG component and an afternoon session on the UAG component subject to space availability. The format of the Nov. 18 is subject to revisions.
- **November 30** (modified post-meeting): Public comments due. Agencies will compile comments and use them to revise the Report.
- **January 10, 2017:** Final Report (mandated date).
- **After January 10, 2017:** Implementation and pursuing legislative changes as needed.

Comments are posted on the EO website:

<http://www.water.ca.gov/wateruseefficiency/conservation/comments.cfm>.

- **Action:** CCP will send out a link to the comments website.

Discussion

- Will the Report include a snapshot of the implementation timeframe, how many meetings, and the stakeholder process for engaging in the future?
 - *Response:* That will likely come afterwards rather than the Report. We will take your suggestions.

⁴ Chapter numbers are subject to change based on internal agency edits before the Draft Report is publicly released.



F. Closing

Ms. Lucero thanked participants for their input.

Mr. Ekdahl thanked participants for attending and for providing detailed feedback. He stated that these sessions are extremely important in developing the framework. He encouraged parties to send additional questions and comments to wue@water.ca.gov.

G. Attendees

UAG Members

1. Joe Berg, Municipal Water District of Orange County
2. Jennifer Burke, City of Santa Rosa
3. Richard Harris, East Bay Municipal Utility District
4. Heather Cooley, Pacific Institute
5. Martha Davis, Inland Empire Utilities Agency
6. Dave Eggerton, Calaveras County Water District
7. Peter Estournes, California Landscape Contractors Association
8. Katie Evans, Coachella Valley Water District
9. Toby Goddard, Santa Cruz Municipal Utilities
10. Jack Hawks, California Water Association
11. Kelsey Hinton, Community Water Center
12. Cynthia Koehler, Water Now Alliance
13. Lisa Koehn, City of Clovis
14. Frank Loge, University of California, Davis
15. Joone Lopez, Moulton Niguel Water District
16. Evan Jacobs, California American Water Co.
17. Jim Peifer, City of Sacramento
18. David Pettijohn, Los Angeles Dept. of Water and Power
19. Tracy Quinn, Natural Resources Defense Council
20. John Rossi, Western Municipal Water District
21. Dana Friehart, San Diego County Water Authority (alternate for Maureen Stapleton)
22. Cindy Tuck, Association of California Water Agencies
23. Deven Upadhyay, Metropolitan Water District
24. Ron Wolfarth, Rain Bird Corporation
25. John Woodling, Regional Water Authority
26. Representative from the Environmental Justice Coalition for Water (for Connor Everts)
27. Representative of University of California, Los Angeles (for Stephanie Pincetl)

Public

1. Fiona Sanchez, IRWD
2. Elizabeth Lovsted, EMWD



3. Drew Atwater, MNWD
4. Jake Vollebregt, MNWD
5. Gary Arant, Valley Center MWD
6. Chris Powder, CCWD
7. Ashley Metzger, Desert Water Authority
8. Richard Harris, EBMUD
9. Joel Metzger, CCWD
10. Paul Helliker, HBMWD
11. Carlos Smith, SCWA
12. Kevin Wattier, Central Basin Municipal
13. Shannon McGovern, Cal Water Service Co.
14. Cindy Blain, California ReLeaf
15. Nicholas Schneider, MWA
16. Greg Thomas, Rincon Water
17. Jevon Lam, LADWP
18. Joey Randall, Olivenhain MWD
19. Justin Finch, Mesa Water District
20. Ian Prichard, Caurosa Water District
21. Shannon Cotulla, South Tahoe PUD
22. Ross Branch, PCWA
23. Amy Talbot, PWA
24. Diane Todd, PWR
25. David Bolland, ACWA
26. William Granger, City of Sacramento
27. Steve Birndorf, Valor Water

EO State Agencies and Consultants

1. Diana Brooks, Department of Water Resources
2. Peter Brostrom, Department of Water Resources
3. Sarah Di Vittorio, Center for Collaborative Policy (Assistant Facilitator)
4. Erik Ekdahl, State Water Resources Control Board
5. Kent Frame, Department of Water Resources
6. Kamyar Guivetchi, Department of Water Resources
7. Vicki Lake, Department of Water Resources
8. Stephanie Lucero, Center for Collaborative Policy (Facilitator)
9. Frances Spivy-Weber, State Water Resources Control District
10. Greg Young, Tully & Young (Consultant)

H. List of Appendices

A – Presentation Slides



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